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Akerna Flash Report: American's Expected to Spend More on Cannabis than Cookouts

Cannabis Expected to see an 87% Increase in Sales Over 4th of July Weekend

DENVER, July 3, 2020 /PRNewswire/ --Business intelligence from Akerna (Nasdaq: KERN), a leading compliance technology provider and developer of the cannabis industry's first seed-to-sale enterprise resource planning (ERP) software technology (MJ Platform®), anticipates a 87% increase in cannabis sales over daily averages.



"For the first time in the past five years the 4th of July falls on a Saturday," said James Ahrendt, Business Intelligence Architect, Akerna. "We anticipate sales will start to increase Thursday, July 2, with an 80% increase over daily averages culminating in an 87% increase over average daily sales over the holiday weekend."

In 2019, when the 4th of July fell on a Thursday, there was a spike in sales the preceding Friday and Saturday, as well as the day leading up to Independence Day. However, not much change in sales the day of.

Sales expectations for the 4th of July. We anticipate:

- An 87% increase over average daily sales 7/2-7/4
- Sales will start to increase July 2, with 80% (1.8X) increase on daily average sales for 2020
- Friday, July 3rd will be the highest grossing day of the year surpassing 4/20, which fell on a Monday. Modeling shows July 3 sales will be 100% (2X) increase on daily average sales for 2020.
- Saturday, July 4, will see elevated sales, similar to Thursday, with 80% (1.8X) increase on daily average sales for 2020

Top Sellers for the 4th of July:

- Flower 45% of sales
- Cartridges / Pens 35%
- Concentrates 11%
- Edibles 9%

Spending:

[The National Retail Federation](#) expects 76% of consumers plan to celebrate Independence Day. Those who do have plans for the holiday expect to spend \$76.00 on average in celebration of the 4th of July. The average cannabis order total will be close to \$100 and increase of \$11 than the avg order total for all other days this year, which range in the area of \$87.12 nationally.

On the Grill:

Historically people spend more than \$371 million on chicken during the two weeks leading up to the July 4 weekend, which amounts to about \$37 million a day. Cannabis sales are expected to reach over \$260 million in three days, which is about \$86 million a day.

Historic July 4th Meat Sales:

- Chicken \$371 million
- Pork \$271 million
- Shrimp \$85 million
- Salmon \$48 million

MJ Freeway is more than software as a service. Its flagship solution, MJ Platform now includes Platform Insights. Now operators, investors, and regulators can access the industry's largest, and most statistically relevant database to drive data-driven business decisions.

Platform Insights provides:

- The greatest statistical relevance across countries
- Normalized data (not farmed from various disparate POS platforms)
- Full cannabis supply chain data
- Business insights founded in category management methodology

Platform Insights can eliminate the guesswork and provide answers to questions like:

- What is the gross margin return on inventory?

- What SKUs should be carried?
- How do basket adjacencies influence discounting and retention strategies?
- What does a medical market look like a year or five years after decriminalizing cannabis?

[Click here](#) for more information about Platform Insights.

About Akerna

Akerna is a global regulatory compliance technology company. Akerna's service offerings include MJ Platform®, Leaf Data Systems®, and solo sciences tech platform. Since its establishment in 2010, Akerna has tracked more than \$18 billion in cannabis sales. Akerna is based in Denver. For more information, please visit www.akerna.com and follow us on Twitter @AkernaCorp.

About the Akerna Flash Report

Flash Report is a look at buying trends in the cannabis market as captured by Akerna's MJ Freeway subsidiary. MJ Freeway provides operators with MJ Platform, the industry-leading solution for regulatory compliance technology, from seed-to-sale-to-self. Some instances of the flash report may include business intelligence derived from Akerna's family of companies, including Ample Organics, Leaf Data Systems, solo sciences, and Trellis.

**Data is derived from MJ Platform, the leading provider of cannabis compliance software for the marijuana industry. Reporting Data is obtained from operators using Akerna's MJ Platform solutions. Increases are relative to the prior period. Additional business intelligence data sources may include proprietary tools used by Akerna's family of companies.

Forward-Looking Statements

Certain statements made in this release are "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. Such forward-looking statements include but are not limited to statements regarding anticipated increases in cannabis sales in relation to the July 4th weekend, sustained increases in demand for cannabis and the ability of the MJ Platform team to help operators make decisions through analytics and reporting. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of significant known and unknown risks, uncertainties, assumptions, and other important factors, many of which are outside Akerna's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others that may affect actual results or outcomes, include (i) Akerna's ability to maintain relationships with customers and suppliers and retain its management and key employees, (ii) changes in applicable laws or regulations, (iii) changes in the market place due to the coronavirus pandemic or other market factors, (iv) and other risks and uncertainties disclosed from time to time in Akerna's filings with the U.S. Securities and Exchange Commission, including those under "Risk Factors" therein. You are cautioned not to place undue reliance on forward-looking statements. All information herein speaks only as of the date hereof, in the case of information about Akerna, or the date of such information, in the

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